

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Suburban Water Systems
(U339W) for Authority to Increase
Rates Charged for Water Service by
\$19,763,961 or 19.79% in 2024, by
\$6,392,906 or 5.49% in 2025, and by
\$6,387,993 or 5.20% in 2026.

**APPLICATION OF SUBURBAN WATER SYSTEMS (U339W)
FOR AUTHORITY TO INCREASE RATES CHARGED FOR WATER SERVICE**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Suburban Water Systems (U339W) for Authority to Increase Rates Charged for Water Service by \$19,763,961 or 19.79% in 2024, by \$6,392,906 or 5.49% in 2025, and by \$6,387,993 or 5.20% in 2026.

A.23-01-XXX

**PROPOSED APPLICATION OF SUBURBAN WATER SYSTEMS (U339W)
FOR AUTHORITY TO INCREASE RATES CHARGED FOR WATER SERVICE**

As directed by the California Public Utilities Commission ("Commission") in Decision 07-05-062 (Order Instituting Rulemaking to Consider Revisions to the General Rate Case Plan for Class A Water Companies, ("Rate Case Plan")), Suburban Water Systems ("Suburban" or "Applicant") hereby submits its general rate case ("GRC") application to increase rates for water service.

I. STATEMENT OF RELIEF SOUGHT

By this application, Suburban seeks a general rate increase for water service for the total company in order to realize the following increased revenue:

<u>Year</u>	<u>Amount of Increase</u>	<u>Percent</u>
2024	\$19,763,961	19.79%
2025	\$ 6,392,906	5.49%
2026	\$ 6,387,993	5.20%

The following is a summary of the requested increase:

Comparison of Proposed Increase to Last
Test Year Adopted and Recorded Actual Amounts
(Dollar Amounts in Thousands)

	<u>Last Test Year Adopted</u>	<u>Last Recorded Year</u>
Total Rev Req \$	\$26,331.9	\$25,076.2*
Total Rev Req %	28.22%	26.52%
Rate Base \$	\$107,070.7	\$87,812.2
Rate Base %	52.58%	39.39%
Operating Expenses \$	\$17,818.3	\$17,651.7
Operating expenses %	22.94%	22.68%
Rate of Return	0.00%	0.34%

*Of the total revenue requirement increase in 2024, 21% is brought about by an increase in non-controllable purchased and pumped water costs.

II. NECESSITY FOR GENERAL RATE RELIEF

Basic to Applicant's request for authority to raise rates is the fact that, in the test years at its present general metered rates, any annual increase in revenues will be more than offset by increases in expenses, rate of return, including costs related to capital expenditures. Suburban has little opportunity for customer growth inasmuch as its service area is substantially built out. The customer count increased only 0.15% since Suburban's last GRC (from recorded year 2018 to recorded year 2021). The general metered rates the Commission previously authorized will, with the passage of time, become unjustly and unreasonably low. The rates Suburban requests are just and reasonable, and reflect pass

through to customers of only increased costs to the Applicant for service.

A. Primary Factors for Increase

As required by the Rate Case Plan, following are primary factors behind Suburban's request for increased rates:

Increase Volume Related Costs \$6,693,300

In this rate case cycle purchased and groundwater pumping assessment water costs have increased by more than \$6,600,000 as compared to the adopted water costs in 2021. The volume related costs included in 2022 present rates were based on 2021/2022 cost per acre foot. The estimated volume related costs in Test Year 2024 are based on 2021/2022 rates.

Increased Payroll \$3,366,200 and Headcount \$166,000 in 2025

See Chapter 3 of Suburban Water Systems, "Report on the Results of Operations Test Years Ending December 31, 2024 and 2025 Attrition Year 2026" ("Results of Operations").

Suburban proposes increased headcount to be able to continue to provide and maintain safe and reliable water service. Further, recorded payroll expense in the most recent recorded year 2021 greatly exceeds the amount approved in the last GRC which was based on settlement negotiations by the parties.

Increased Parent Company Allocation Expense \$1,995,000

Increase is predominately related to costs of payroll and benefits, offset by lower three-factor cost allocation. See Direct Testimony of Mujeeb Hafeez related to Parent Company costs. Risk compensation has increased in order to remain competitive in the labor market (See Direct Testimony of Robert Mustich).

Continuation of Current Rate Design

Historically, the CPUC's Water Conservation OII Decision 08-02-036 adopted for Suburban a trial program of conservation rates for residential customers consisting of a two-tier inclining block rate structure and 30/70 fixed charge/quantity charge cost recovery. That rate structure has proved highly effective on two counts: 1) it strongly encouraged water conservation. The twelve-month moving average residential water demand has declined dramatically since the drought began in July 2021 - 11.8% in the San Jose Hills Service Area and 8.0% in the Whittier/La Mirada Service Area both through September 2022. And 2) the 30/70 cost recovery structure was highly favorable to low volume water users who frequently are low income water users, and thereby skewed cost recovery to high users. Undoubtedly this 30/70 cost recovery structure has been a large contributor to the effectiveness of Suburban's post-2008 rate structure.

The third component of post-2008 rate structure was approval of Suburban's request to adopt the Monterey-style WRAM. Little needs to be said about merits of the Monterey WRAM inasmuch as Decision D.20-08-047 mandated it for all Class A water utilities.

Some of Suburban's non-residential customers are highly water

intensive, such as juice manufacturers. Water is a large component of their cost structure. Given the continued fragile state of the local economy, Suburban strongly recommends that for purposes of this proceeding that the Suburban's current residential rate structure not be expanded beyond the current residential customer class.

In this proceeding Suburban requests that there be no changes in the current inclining block rate design for residential customers, no change to the 30/70 fixed charge/quantity charge recovery, no change in the uniform rate design for non-residential customers and that the current Monterey-style WRAM and long-standing incremental supply cost balancing accounts be continued unchanged. Suburban requests that the current recycled water rate design that provides recycled water quantity rates set at 85% of the quantity rate of non-residential metered service, be maintained. Suburban requests that any changes in cost of service and rates resulting from this proceeding be applied as proposed in this application; that is, applied uniformly to the rate design and WRAM that the Commission ultimately approves for the trial program.

III. LIST OF CONTENTIOUS ISSUES

As required by the Rate Case Plan, Suburban includes potentially contentious issues in this application.

Issue: Additional Staffing Needs. Two positions requested not yet filled in 2025, with an engineering and an accounting position proposed to be totally capitalized as overhead associated

with construction projects.

Issue: Water Conservation Program (Revenue requirement impacts for 2024 and 2025 are \$450,000 in each year). Water Conservation Expense reflects ongoing aggressive conservation efforts in recognition of continuing drought conditions and political and social pressure. The Company's conservation efforts are described in further detail in the Company's Direct Testimony of Lauren James. Water Conservation Expense includes \$40,000 annually for adjustments for customer repair costs. Suburban will allow residential customers a one-time per customer reimbursement for indoor plumbing repair costs. In addition, Suburban request a one-time credit on customer bills for water loss due to leaks.

Issue: Parent Company Rate Base - (Revenue requirement impacts for 2024 and 2025 are \$537,300 and \$489,800, respectively). Year 2024 beginning rate base is based on the previous capital expenditures for years 2018 through 2023. Parent Company rate base consists primarily of plant in service less depreciation reserve and ADFIT allocated to Suburban based on the 3 factor allocation. Parent Company plant in service consists entirely of IT projects. Depreciation of Parent Company plant was calculated using the same depreciation rates as used by Suburban. No CWIP is included in Parent Company Rate Base inasmuch as projects are of relatively short duration and projects are typically completed within the same calendar year.

IV. COMPLIANCE MATTERS

Suburban has complied with D.21-10-024 that included compliance items requiring that 1) Suburban include reserve account balances

with its semi-annual reports for balancing accounts balances to the Commission’s Water Division and Utility Audits, Risk, and Compliance Division, and 2) file a Tier 1 Advice Letter before leasing out water rights.

V. SPECIAL REQUESTS

A. Special Request No. 1: Various Offsets

Suburban requests a single refund consisting of the sum of nine offsets, which is proposed to be netted and refunded to customers as a one-time surcredit \$.13 per hundred cubic feet of consumption per customer. Details of the various offsets is as follows:

No.	Description	Under/ (Over) Collection		
		Amount	Interest	Total
1.	ATR - Employee Transfer Memorandum Account	(\$27,771)	(\$874)	(\$28,645)
2.	Military Family Relief Program Memorandum Account	\$3,089	\$141	\$3,230
3.	Mandatory Conservation Memorandum Account	\$48,979	\$1,678	\$50,657
4.	Drinking Water Fees Memorandum Account	\$22,406	\$954	\$23,360
5.	PFAS-Per- and Polyfluoroalkyl Substances Memorandum Account	\$67,823	\$3,009	\$70,833
6.	Employee Healthcare Balancing Account 2019 - 2020	(\$351,420)	(\$25,613)	(\$377,033)
7.	Water Contamination Litigation Memorandum Account	\$12,407	\$559	\$12,966
8.	2020 Tax Cuts & Jobs Act (TCJA) Surcredit Amortization	\$285	\$12	\$297
Subtotal Amount		(\$224,202)	(\$20,134)	(\$244,335)
1.14% Add Franchise Fee				(\$2,785)
0.45% Add Uncollectible				(\$1,100)
Total Amount Before Offset by Amortization of Previously Approved				(\$248,220)
9.	Various Surcharge Amortization (Previously Approved)	\$52,969	\$2,266	\$55,235
Request for Amortization Amount				(\$192,985) (a)
Estimated 2024 Water Sales/Month (ccf)				1,465,992 (b)
One Time Surcredit/ccf = (a/b) =				(\$0.13)

B. Special Request No. 2: LIRA Memorandum Account and Low Income Data Sharing Memorandum Account Amortizations, and Update LIRA Surcharge

Suburban requests authority to amortize the Low Income Ratepayer Assistance Memorandum Account, and Low Income

Data Sharing Memorandum Account with a total debit balance of \$178,033 as of August 2022 as a one-time surcharge of \$0.135 per 100 cubic feet of water used. In order to support the LIRA program, beginning January 1, 2024, Suburban requests authority to increase the amount of the Low Income Ratepayer Assistance Surcharge from \$.054 (as of August 2022) to \$0.088 per 100 cubic feet. This amount is based on the proposed rate increase in Suburban's application filed on January 3, 2023. Depending on the final decision, the LIRA surcredit will also be increased accordingly from its current \$8.74 monthly credit.

C. Special Request No. 3: Finding on Water Quality

Suburban is in compliance with all water quality regulations and requirements and requests that the Commission make a finding that Suburban's water quality meets all applicable state and federal drinking water standards and the provisions of General Order 103 based upon the evidence presented in the Testimony of Greg Galindo.

D. Special Request No. 4: Sativa Acquisition

This Special Request was eliminated prior to filing the final application due to the closing of the Sativa acquisition.

E. Special Request No. 5: Adjustment For Customer Repair Costs

Suburban requests approval to update its Tariff related to Residential Metered Services' special condition, SJ-1 and WLM-1, by allowing residential customers a one-time per customer lump-sum reimbursement for indoor plumbing repair costs, up to 100% for participants in Suburban's LIRA program, and up to 50% for non-LIRA participant, with a maximum of \$500. Customers are required to provide supporting invoices for all amounts reimbursed. Reimbursement will be subject to first-come, first-serve as limited by Suburban's requested authorized budget of \$40,000.

F. Special Request No.6: Adjustment For Customer Leaks

Suburban requests approval to update its Tariff related to Residential Metered Services' special condition, SJ-1 and WLM-1, by allowing Suburban to provide one-time credits on customer bills for water loss due to leaks, up to 100% of estimated water loss for participants in Suburban's LIRA program and 50% of estimated water loss for non-LIRA customers. Calculation of the credit is based on the leak as the only customer usage. The customer must provide confirming invoices to support repair of the leak.

G. Special Request No. 7: Changes To Bad Check Charge

Suburban proposes to eliminate the Bad Check Charge for all customers by amending Rule No. 9, Rendering And

Payment Of Bills, Section B.1. This is discussed in the Results of Operations, Chapter 5.

H. Special Request No. 8: Paperless Billing Opt-Out

Suburban is proposing to increase customer participation in paperless billing that would target all non-low income customers that are not on paperless billing but who are participating in Suburban's online portal and have provided an email address to Suburban. For new Suburban customers that sign-up for service via our online portal, Suburban is proposing that the default become paperless billing. The new customer would have to opt-out of paperless billing. This is discussed in the Results of Operations, Chapter 12.

I. Special Request No. 9: Update the Amortization of Water Revenue Adjustment Mechanism (WRAM) Balancing Account for Period October 2019 - December 2020 in 2023 General Rate Case (GRC), and Information only filing for period January 2021 through August 2022.

Suburban requests to update the current WRAM balances as of August 2022. Suburban provides the detail of the WRAM amortization continuation from last GRC which reflects the residual balance of over-collection of \$200,677 as of December 2020. Suburban then applied the balance to future WRAM amounts (January 2021 - August 2022). Suburban also offsets the WRAM account with the Drought Surcharge collected during July 2022 - August 2022, resulting in

under-collection balance of \$77,416 as of August 2022. Suburban does not request for amortization of the under-collection balance in this proceeding.

J. Special Request No. 10: COVID-19 Catastrophic Event

Memorandum Account Amortization

Suburban requests authorization to amortize the under-collection balance for cost recovery of \$1,631,854 from March 2020 through August 2022 in the COVID-19 Catastrophic Event Memorandum Account as a twelve months surcharge of \$0.093 per 100 cubic feet of water consumption. On March 4, 2020 Governor Newsom declared a State of Emergency to help the state prepare for the spread of COVID-19. Suburban has received and applied approximately \$1,842,544 in California Water and Wastewater Arrearage Payment Program relief to customer accounts. In addition, Suburban sent communications to every residential customer with over \$50 in arrearages over 2 months in arrears regarding 12 month payment plans.

K. Special Request No. 11: COVID-19 Catastrophic Event

Memorandum Account Remain Open

Suburban requests that pursuant to approved Suburban Advice Letter 353-W that the COVID-19 Catastrophic Event Memorandum Account remain open. We cannot over-emphasize the significant customer protections afforded by SB 998 and Resolution M-4849. In Advice Letter 353-W we provided projections of the number and percent of Suburban

customers who would be otherwise facing disconnection after termination of protections were it not for these transition procedures. We projected an estimated 17% - 20% of Suburban's residential customers would be facing disconnection were it not for customer protections. The advice letter clearly showed customer protections working as intended. However, the total deferred customer arrearages were expected to be large and customers' ability to pay those arrearages would be uncertain. The advice letter projected that after customer protections were lifted, potentially large amounts of customer arrearages may be unrecoverable and would have to be deferred to the CEMA account for future amortization. Notwithstanding California Water and Wastewater Arrearage Payment Program relief funding that has substantially reduced the balance, it is imperative that the CEMA account remain open in order to capture additional remaining and future expected uncollectible Covid-related arrearages.

L. Special Request No. 12: Subsequent Rate Changes

Suburban requests explicit Commission authorization to incorporate into new rates any rate changes that occurred after this proceeding opened and acknowledgement that these changes will also need to be placed into present rates for the determination of the actual rate increase

caused by this application. This is discussed in the Results of Operations, Chapter 12.

M. Special Request No. 13: Change "LIRA" to "CAP"

Pursuant to D.20-08-047, Suburban requests to change the designation "LIRA" to "CAP".

N. Special Request No. 14: Closing Selected Memorandum Accounts

Suburban requests elimination of three Memorandum Accounts from its Preliminary Statement that have been fully amortized and are no longer necessary:

- School Lead Testing Memorandum Account
- Tax Cuts & Jobs Act (TCJA) Memorandum Account
- A.18-05-004 Cost of Capital Memorandum Account

O. Special Request No. 15: Request For Lead And Copper Rule Revision Memorandum Account

In a recent Federal Register Notice, EPA announced that revisions to the Lead and Copper Rules (LCRR) will go into effect to support near-term development of actions to reduce lead in drinking water. Specifically, lead service line inventories that will be developed under the LCRR are necessary to achieve 100% removal of lead service lines. EPA's deadline for submitting information is October 16, 2024. At Suburban there are five water systems that will be affected by the revised lead and copper rule. Costs to comply with these new rules are uncertain. Suburban requests a memorandum account to ensure LCRR costs are

recovered. This is discussed in the Results of Operations, Chapter 5.

P. Special Request No. 16: Update Whittier/La Mirada Service Area Map

Suburban requests authorization to update its Whittier/La Mirada Tariff Area Map to include the Sativa System, and to cancel the tariff page representing the Sativa service area map.

Q. Special Request No. 17: Sativa Tariff Fixed Charge

Suburban requests authorization to update Sativa's unmetered tariff, Schedule S-1 as a fixed charge for the six months trial period once a meter is installed. This temporary continuation of the fixed rate tariff is provided for the purpose of acclimating Sativa customers to metered rates. It ensures that Sativa's customers receive price signals directly related to their level of consumption, thus, empowering them to consume water more efficiently, allowing them to control the affordability of their monthly bill. The monthly fixed rate is calculated based on Whittier/La Mirada Tariff Schedule WLM-1, Tariff Area 1, utilizing 3/4-inch meter size plus fourteen hundred cubic feet of potable water consumption. See Results of Operations, p. 12-7.

R. Special Request No. 18: Extend until December 31, 2026 the expiration date of the Asbestos Litigation Memorandum Account ("ALMA")

In AL 377-W, Suburban requested that the CPUC extend the expiration date of the Asbestos Litigation Memorandum Account ("ALMA"), from January 5, 2023 to January 5, 2026. On December 5, 2022, Water Division rejected AL 377-W, stating, "There is no statute or Commission order that authorizes an extension of the ALMA, and Suburban has not made the case that the Company's need for the ALMA remains compelling." Suburban continues to have a compelling need for the ALMA. As a result on December 15, 2022 Suburban filed a Request for Commission Review of Water Division's rejection of AL 377-W.

This Special Request No. 18 is not duplicative of Suburban's earlier-filed Request for Commission Review. The treatment proposed in this Special Request No. 18 differs from AL 377-W in two material respects: 1) it requests authorization for extension of ALMA in this GRC rather than by advice letter, and 2) it requests extending the current ALMA instead to December 31, 2026 instead of to January 5, 2026, in order to be consistent with the CPUC's Rate Case Plan as it applies to Suburban. For further discussion see Results of Operation p. 5-7 - p. 5-11.

VI. SB 960 SCOPING MEMORANDUM

(A) Category: Ratesetting

(B) Are Evidentiary Hearings Necessary? Yes.

Potentially, there may be factual disputes on material issues, which will necessitate evidentiary hearings on such topics as water sales and operating revenue, operation and maintenance expenses, utility plant, depreciation, rate base, taxes, revenue requirements, conservation and customer service. Pursuant to the Rate Case Plan, Suburban based cost of capital on Decision 18-12-002, which established cost of capital for Suburban as well as three other applicants in that proceeding.

(C) Support: Suburban plans to introduce the following evidentiary items, as necessary, in support of its rate request: this application, exhibits to the application and testimony, together with Suburban's work papers, and Minimum Data Requirements Responses.

(D) Are Public Witness Hearings Necessary? Yes.

(E) Safety Considerations: Suburban has developed a number of comprehensive health and safety programs for employees to follow and management to utilize to comply with all applicable regulations and laws. Suburban is also proposing in this general rate case projects that will enhance and promote safety. These are addressed in the direct testimony of Jorge Lopez.

(F) Environmental and Social Justice Action Plan: Suburban's proposals in this general rate case help further the goals that the Commission has established in its Environmental and Social Justice Action Plan. This is addressed in the direct testimony of

Lauren James.

VII. SCHEDULE

The Commission's Rate Case Plan governs this application. Under the Rate Case Plan, the Commission should issue a final decision in December 2023. The schedule for the case is shown below. The day schedule shown is consistent with the Commission's Opinion Adopting Revised Rate Case Plan For Class A Water Utilities, D.07-05-062.

PROPOSED 2023 GENERAL RATE CASE SCHEDULE SUBURBAN WATER SYSTEMS

No.	EVENT	DATE	14-Month Schedule	Item Scheduled Shift Due to Holidays/ Weekends
1.	Proposed Application Tendered	Wed, 11/02/22	(60)	
2.	Deficiency Letter Mailed	Fri, 12/02/22	(30)	
3.	Appeal to Executive Director	Wed, 12/07/22	(25)	
4.	Executive Director Acts	Mon, 12/12/22	(20)	
5.	Application Filed/Testimony Served	Tue, 01/03/23	0	2
6.	PHC & PPH Start Date	Wed, 01/11/23	10	
7.	PHC Finish Date	Fri, 03/17/23	75	
8.	Update of Applicant's Showing	Wed, 02/15/23	45	
9.	Public Participation Hearings (End Date)	Mon, 04/03/23	90	2
10.	ORA Testimony	Mon, 04/10/23	97	2
11.	Other Parties Serve Testimony	Mon, 04/10/23	97	2
12.	Rebuttal Testimony	Mon, 04/24/23	112	1
13.	ADR Process (Start Date)	Wed, 04/26/23	115	
14.	ADR Process (End Date)	Mon, 05/08/23	125	2
15.	Evidentiary Hearings (if required - start)	Mon, 05/08/23	126	1
16.	Evidentiary Hearings (if required - end)	Thu, 05/11/23	130	
17.	Opening Briefs Filed and Served	Mon, 06/12/23	160	2
18.	Motion for Interim Rates	Mon, 06/12/23	160	2
19.	Mandatory Status Conference	Mon, 06/12/23	161	1
20.	Reply Briefs Filed & Served (with Comparison Exhibit)	Mon, 06/26/23	175	1

21.	Water Division Technical Conference	Fri, 06/30/23	180	
22.	Proposed Decision Mailed	Tue, 08/29/23	240	
23.	Comments on Proposed Decision	Mon, 09/18/23	260	
24.	Reply Comments	Mon, 09/25/23	265	2
25.	Commission Meeting (TBD)	Mon, 10/09/23	280	1

VIII. OTHER FORMAL MATTERS AND PROCEDURAL REQUIREMENTS

(A) This application is made pursuant to Section 451 et seq. of the California Public Utilities Code.

(B) Applicant's legal name is Suburban Water Systems. Suburban's corporate office and post office address is 1325 N. Grand Avenue, Suite 100, Covina, CA 91724.

(C) Applicant Suburban Water Systems, a California corporation, organized under the laws of the State of California, October 23, 1953, is a Class A regulated water utility organized and operating under the laws of the State of California. Suburban provides water services in various areas of Los Angeles County and Orange County.

(D) A certified copy of Applicant's Articles of Incorporation and all amendments thereto have heretofore been filed with the Commission in connection with Application Nos. 41492, 44154, 53900, 57025, 83-08-29 and 06-08-015. The Articles of Incorporation have not been subsequently amended.

(E) None of the persons described in Section 2 of General Order No. 104-A has a material financial interest in any transaction involving the purchase of materials or equipment or the contracting, arranging, or paying for construction, maintenance work, or service of any kind to which Applicant has been a party during the period subsequent to the filing of Suburban's last Annual Report with this Commission or to which

Suburban proposed to become a party at the conclusion of the year covered by said Annual Report.

(F) Applicant is now and will be ready to proceed with its showing as prescribed by the Commission's Rate Case Plan.

(G) Applicant anticipates that, subsequent to the filing of this applicant and prior to the issuance of a decision by the Commission, Applicant may file one or more advice letter requests to offset unanticipated increases in expenses that may be incurred, or to file one or more advice letters requesting recovery or refund of captured balances in its various memorandum or balancing accounts. Any such offset rate increases requested by advice letter will be in addition to the increases in rates requested in this application. If necessary, such rate and revenue changes will be incorporated into the calculations of the final rates adopted in this proceeding.

IX. CORRESPONDENCE, NOTICE, AND SERVICE

Correspondence concerning this application should be sent to:

Carmelitha Bordelon
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1325 N. Grand Avenue, Suite 100
Covina, CA 91724-4044
Telephone: 626-543-2547
Email: cbordelon@swwc.com

Copies of such correspondence and communication should be sent to:

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50 California Street, 34th Floor
San Francisco, CA 94111-4799
Telephone: (415) 398-3600
Facsimile: (415) 398-2438

Email: ldolqueist@mossaman.com

Within ten days of filing this final application, Applicant will cause to be published a notice of the proposed increases in a newspaper of general circulation in the area served and will file proof of publication with the Commission. Applicant will mail a copy of this application to the parties set forth in Exhibit B.

X. EXHIBITS AND TESTIMONY

Suburban provides the following exhibits, supporting documents, and testimony in support of this application:¹

Exhibits

Exhibit A	Balance Sheet and Income Statement
Exhibit B	Notice To Customers (for approval by the Public Advisors Office)
Exhibit C	Service List for Final Application
Exhibit D	Year 2023 Tariffs Rate Schedules
Exhibit E	Proposed Test Year 2024 Tariffs
Exhibit F	Comparison Exhibit Explaining Differences Between the Proposed Application and Application

Supporting Documents

Suburban Water Systems, Results of Operations, Test Years Ending December 31, 2024 and 2025, and Attrition Year 2026 ("Results of Operations").

Suburban Water Systems, 2020 Urban Water Management Plan. June 15, 2021.

Suburban Water Systems, Minimum Data Requirements.

Suburban Water Systems, Workpapers, Vols. I-III (including Capital Project Descriptions, Asset Management Plans, and System Master Plans).

¹ Supporting documents and testimony are served but not filed.

Testimony

Testimony of Christian Aldinger	Depreciation; sponsoring <u>Results of Operations</u> Chapter 7, "Depreciation Accruals, Reserve For Depreciation"
Testimony of Kiki Carlson	Sponsoring <u>Results of Operations</u> Chapter 4 "Water Sales and Operating Revenues" as it relates to demand forecasts for industrial, public authority and recycled water and construction water customers, sales to other utilities; Chapter 5 "Operating Expenses" except for the areas of payroll expense, uncollectible rate in compliance with SB 998, conservation expenses, insurance, parent company expenses, Utility Group Expense, and Chapter 8, "Rate Base" as it relates to working cash.
Testimony of Jeff Farney	Parent Company - Rate Base and IT
Testimony of Mujeeb Hafeez	Indirect Parent Company Costs, Insurance, sponsoring <u>Results of Operations</u> Chapter 5, "Operating Expenses" as it relates to parent company expenses and 3-Factor Allocation.
Testimony of Stephen Johnson	San Gabriel Basin hydrogeology and groundwater quality.
Testimony of Jorge Lopez	Safety and Capital Projects; sponsoring <u>Results of Operations</u> Chapter 6 "Utility Plant".
Testimony of Carmelitha Bordelon	Sponsoring <u>Results of Operations</u> Chapter 1, "Introduction"; Chapter 2, "Company History"; Chapter 3, "Company Operations"; Chapter 5, "Operating Expenses" as it relates to payroll expense, uncollectible rate in compliance with SB 998, and dissolution of Utility Group; Chapter 8, "Rate Base", except for working cash; Chapter 9, "Taxes"; Chapter 10, "Summary of Earnings"; Chapter 11, "Revenue Requirements"; and Chapter 12, "Rates".
Testimony of Robert V. Mustich	Parent Company - Executive Compensation and Directors' Fees.

Testimony of Brian J. Devereux	Sponsoring <u>Results of Operations, Chapter 5</u> as it relates to Medical, Prescription Drug, Dental Insurance Premium expense.
Testimony of Greg Galindo	Water Quality.
Testimony of Constance Heppenstall	<u>Results of Operations</u> Chapter 4 "Water Sales and Operating Revenues" as it relates to demand forecasts for residential and business.
Testimony of Lauren James	<u>Results of Operations</u> Chapter 5 as it relates to Conservation Expense. ESJ Plan.

XI. CONCLUSION

WHEREFORE, Suburban respectfully requests that this Commission issue its findings and an order to the effect that:

1. The present rates authorized for Suburban are projected to be, in the test years, unfair, unjust and unreasonable;
2. The rates proposed and requested by Suburban are fair, just and reasonable;
3. Suburban be granted the relief requested in of this application;
4. Suburban Water Systems be authorized to publish, file and make effective, beginning January 1, 2024, the proposed rates requested or such other rates as will result in the additional gross revenues requested in this application; and
5. For such other and further relief as is just.

Respectfully submitted on January 3, 2023.

By: /s/ Carmelitha Bordelon
Carmelitha Bordelon

Director of Regulatory Affairs

SUBURBAN WATER SYSTEMS

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 3, 2023 at Covina, CA.

/s/ Craig Gott
Craig Gott, President
Suburban Water Systems